



Department of Planning & Community & Economic Development

Economic Development Division

Matthew B. Mikolajewski, Director

Madison Municipal Building, Suite 312
215 Martin Luther King, Jr. Boulevard
P.O. Box 2983

Madison, Wisconsin 53701-2983

Phone: (608) 266-4222

Fax: (608) 261-6126

www.cityofmadison.com

Office of Business Resources

Office of Real Estate Services

To: **Board of Estimates and Common Council**

From: **Matthew B. Mikolajewski**

Date: **April 25, 2016**

Subject: **Legistar #42648 – New Real Estate Agent Position**

The following memo provides additional justification for my request for the creation of a new Real Estate Agent position within the Economic Development Division (EDD), Office of Real Estate Services (ORES).

What would a new Real Estate Agent do?

ORES currently has five (5) Real Estate Agents. The City's Real Estate Agents are responsible for completing all of the real estate functions of the City. This includes the purchase of property required for road construction projects, purchase of property for other City functions, maintenance of encroachment agreements and easements for facilities located in and use of City right-of-way and property, and lease agreements for City facilities on private property.

Real Estate Agents are classed at a level of 1 through 4 based on experience. As a Real Estate Agent 2 underfilled to a Real Estate Agent 1, this individual will complete entry level projects or parts of projects noted above under the direction of more senior staff.

Why does the City need another Real Estate Agent?

The number of projects completed by the City's Real Estate Agents this year is anticipated to reach a record of 428. This is substantially higher than the average of 276 projects per year since 2000. Specific projects generating this additional work include property acquisitions for the Junction Road/CTH M road construction project, property acquisitions for the McKee Road/CTH PD road construction project, a Central Park property acquisition, and bike path acquisitions.

In addition to an increase in the total number of real estate projects, the ORES saw the retirement of its two most senior staff in 2015. Additional staff time is needed to complete some projects given this loss of institutional knowledge.

I am concerned that we will be unable to complete all of these projects in a timely and accurate manner with our current number of Real Estate Agents. This could be especially problematic for road construction projects, where the property acquisitions must be completed before the projects can proceed.

How will the City pay for a new Real Estate Agent?

The EDD currently has several vacant positions. The vacant positions are not Real Estate Agents. Through the salary savings of these vacant positions, a new Real Estate Agent will be able to be funded in 2016.

As for 2017 and beyond, I believe that we will be able to apply the longevity savings resulting from several recent past and future staffing changes to cover the cost of the new position. Individuals new to City employment start at a “base” salary rate. As the individual remains in City employment, he/she earns longevity pay. From 2015 through the end of the 1st Quarter of 2017, EDD will see the retirement of four (4) individuals with significant longevity. This, coupled with several other staff changes, will result in a likely net reduction of total EDD salaries in excess of the total \$68,395 needed for this new Real Estate Agent position. A summary of these changes can be found in the following table:

Position	Timing	Former Budget	2016 Budget	Net Impact	Total Impact
Economic Development Division Director	2014 2015	118,249	114,403	-3,846	-3,846
Real Estate Agent 3 to Vacant Real Estate Agent 4	2015	90,906	93,266	2,360	-1,486
New Real Estate Agent 3 (budget for two positions)	2015	163,824	152,333	-11,491	-12,977
Office of Real Estate Services Manager	2015	104,425	79,861	-24,564	-37,541
Economic Development Program Coordinator	2016	72,540	55,598	-16,942	-54,483
Clerk-Typist 2 (0.5 FTE)	2016	23,101	19,487	-3,614	-58,097
Office of Business Resources Manager	2016	96,022	79,861	-16,161	-74,258
Street Vending Coordinator	2017	64,861	51,420	-13,441	-87,699